

Invest in Kids / PAES Update:
Dugger Presentation of Annual Review and Ten Year Plan
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The Partnership for America's Economic Success reflects the coming together of several forces -- the Invest in Kids Working Group which met monthly for several years, Pew's 5-year national campaign for early education which used and sponsored economic research, and other organizations' discovery and support of the economic arguments. Rob Dugger of Tudor Investment Corporation recapped the working group's history since its inception in 2003, and explained the Partnership's ten year plan. Rob's presentation can be found at http://www.partnershipforsuccess.org/docs/ivk/iikmeeting_slides200701dugger.ppt. Sara Watson and Beth Gross of the Pew Charitable Trusts, which manages and partially funds the Partnership, reviewed the research and outreach work of the Partnership currently underway.

Rob began the meeting by thanking the many people and institutions that have made the Partnership's work possible. He was particularly grateful for the support of Paul Tudor Jones, Chairman and CEO of Tudor Investment Corporation and Founder of the Robin Hood Foundation; Rebecca Rimel, President and CEO of the Pew Charitable Trusts, Dan Pedersen of the Buffett Early Childhood Fund, and Charles Kolb, President of the Committee for Economic Development (CED).

The Partnership for America's Economic Success was established in 2006 by several business people, PNC Financial Group, and a group of foundations working in conjunction with the Committee for Economic Development. It is housed at The Pew Charitable Trusts. The Partnership's goal is to make the lifetime wellbeing of every American child the highest priority of the government. The Partnership consists of the following three groups of people:

- Partners who care for and educate children and carry the message of investing in kids nationwide,
- Partners whose research guides how resources should be allocated, and
- Partners who provide funding to support this effort.

Under the sponsorship of the Partnership for America's Economic Success and in collaboration with CED, the Invest in Kids Working Group meets each month (except August and December) to discuss issues related to children and the economy. The group's goals are to engage business and policy leaders; discuss and review emerging findings from the Partnership and others; and provide a forum for partners to participate. Group discussions focus on how to make every American child more literate, numerate, and productive, and how to estimate and achieve economic growth and job creation from investing in kids.

Intensifying global competition and steadily growing fiscal imbalances present America with important challenges. Educated, healthy, young adults who get along well with others and can work effectively in teams are essential to meeting both challenges. Evidence is accumulating that the best way to prepare young people for the future is to invest in their care, health and education as early in their lives as possible. Very high economic returns to early investments suggest that the markets are not working right and policy attention is warranted.

In addition, U.S. support for early-childhood education and educational outcomes are beginning to lag well behind that of other developed nations. American 15-year-olds perform in the middle of the pack on tests of science and mathematics, with one-quarter performing at the lowest achievement levels. United States has slipped to 11th among 30 OECD countries in the proportion of 25- to 34-year-olds with a high school degree. Long a leader in higher education, the United States has dropped to seventh in the proportion of 25- to 34-year-olds with a college degree.

A competitive workforce will reduce crime; strengthen economic growth; and increase job creation, fiscal sustainability, and competitiveness. How does the country get such a workforce? The best evidence suggests that society must begin investing early in life. Investing in kids maximizes the probability of financial success with high returns for each dollar invested. Unfortunately, just understanding that these investments will lead to a strong workforce does not make the trade-offs needed to balance a budget any easier to decide.

Rob explained that there is a deeper consideration as state and federal budgets reflect the relationships between and among Americans by sector, income, and age. Unsustainable budgets signal unsustainable relationships and while resolution is inevitable, larger imbalances have more painful and politically difficult resolutions. The U.S. budget imbalances are very large and they span income levels, private interest groups, and generations. The resolution of America's budget imbalances will reshape citizen relationships as powerfully as they were reshaped by the 1960s civil rights, the early 1900s women's voting rights, and the mid 1800s anti-slavery movements. If budget choices are consistently made so resources maximize the wellbeing of every American child, fairness will be assured and long-term economic growth will be maximized.

Beth Gross continued the presentation by discussing how the Partnership will disseminate research and build business interest. The third annual conference on the economic benefits of investments in young children is planned for March 7, 2007, at the National Press Club in Washington, D.C. Speakers at the event will include David Brooks of the New York Times, CEOs George Kaiser of Kaiser-Francis Oil and Kenneth Burdick of United HealthCare, and Nicolas Burnett of UNESCO. The Partnership has also created a comprehensive website that tracks new findings and media mentions, while PAES members have given presentations to a variety of audiences. Planning is also underway for a west coast conference with business groups from that area. Finally, Advisory Board

members and others are distributing Partnership brochures and writing articles and letters to the editor to raise visibility for PAES's message.

Sara Watson reviewed the Partnerships five areas of focus:

- Microeconomics – Research in this area focuses on the question: What are the net economic gains from specific prenatal through five early care and education interventions? Research is being conducted by Johns Hopkins University, the Women and Children's Health Policy Center, Mathematica Policy Research, Northwestern University, and Queen's University.
- Macroeconomics – This area of research addresses the question: What are the net economic growth, job creation, fiscal sustainability, and global competitiveness implications of prenatal through five investments? Research is currently being conducted by the Brookings Institution, Columbia University, the University of Wisconsin, Madison, the University of Chicago Department of Economics, and the Urban Institute.
- Sector Analysis – Research in this area is trying to answer the question: How big is the “youth human capital development” sector in terms of jobs, GDP, and national income? Currently, the Partnership has commissioned NorthStar Economics to undertake the *Early Childhood Economy Measurement and Stakeholder Identification Project*.
- Finance Policy – This area of research is focused on: What are the best ways to pay for increased investments in early care and education? The Urban Institute is working on *A Children's Budget* to find an answer. Other proposed projects in this area are currently under review.
- Communications – Work in this area will address: What are the best ways to communicate findings and inform policy discussion? The Partnership will work with Porter Novelli in order to create a communications campaign. Furthermore, there will be intensive work donated by the Pew Charitable Trusts' public affairs staff.

Rob concluded the meeting by asking everyone to work together to spread the message of putting the next generation first in order to assure future competitiveness and fiscal sustainability. He noted the following ways people could help:

- Conducting research or identifying researchers for topics to be commissioned
- Helping identify and secure opportunities for Partnership colleagues to disseminate findings to policy audiences, the public, business leaders, and others
- Commenting on draft research through the Invest in Kids Working Group and Partnership for America's Economic Success meetings and disseminating new findings to interested audiences
- Linking to the Partnership web site and sending items to be posted

After the formal presentation, the working group discussed the following topics:

Secondary Education—How does this project relate to the work being done to increase the quality of secondary education? Many K-12 outcomes are dependent on young children receiving a quality early education and health services. Furthermore, because

high schools already have a well-developed infrastructure, they contribute to the returns from investments in children from birth to age five, which are not as well understood.

Packard Foundation—Is the Partnership connected with the Packard Foundation in California? Pew and Packard have worked closely together on pre-k although there are no formal ties to the Partnership.

Relationship between older adults and young children—Should we be looking at how older generations can help with the development of young children? Perhaps investments should be made in those relationships. Pew is considering a grant to Generations United to work on early education and there should be close ties to the Partnership. Current research on this topic may be found on the Generations United web site at www.gu.org.

Chamber of Commerce— Is the Partnership working with Chambers of Commerce? Rob Dugger and Sara Watson have had discussions with them, but more work needs to be done on this front.

Politics is Local—Remember that members of Congress care about how these issues affect their individual districts. They care much less about the national statistics or impacts.

Fiscal Budget Issues—These are local, state and federal issues. Not only is America going to experience a fiscal budget tightening because of existing commitments to social security and Medicare, but new retirees will also have stopped paying into the system. Furthermore, unlike in years past, politicians increasingly have to look at budget limitations when increasing funding for programs.

Need for Longitudinal Data—Federal and state governments need to provide long-term data to assess a new children’s agenda. This would allow researchers to go back and re-analyze longitudinal data (even though it takes a long time to gather), either as a separate project or as an add-on to an existing project.

Poor Outcomes—What should be done when it is proven that some programs are not worthwhile investments? The Partnership will be more credible if we promote programs honestly. The biggest problem is when benefits are unproven.

Presidential Campaigns—During the presidential campaigns, is it possible to have all candidates – Democrats and Republicans - make early education economic statements? If the candidates decide which issues to tackle before taking office, we could lose 6 to 10 years if early childhood issues are not brought to their attention during the campaign. Other “front end investments” such as healthcare and the environment have already made media headway in the campaigns. This issue is a similar front end challenge in a non-savings environment.

Two-Page Fact Sheet—Can we create a two page fact sheet to give politicians that is backward looking (what information do people in the House and Senate want)?

It should include:

- Answers to “Why should I stake my political life on this issue?” and “Why should I make this the one reason I want to be president?”
- Updated polling data
- Heckman’s article from the Wall Street Journal.

Immigrant Issues—Illegal immigrants cannot get prenatal care even though their children will be citizens. Furthermore, immigrants are becoming an increasingly large part of the early education workforce.

Other Groups—More coordination is needed among early care and education groups in order to be effective.